

07/09/2018

ANNUAL HOUSE PRICE GROWTH RISES TO 3.7% IN AUGUST



+3.7%

Annual change

+1.9%

Quarterly change

+0.1%

Monthly change

£229,958

Average Price

- House prices in the three months to August increased by 3.7% against the same period a year earlier with the average house showing little change from last month at £229,958
- On a monthly basis, prices remained steady, seeing a small rise of 0.1% in August, while in the latest quarter (June-August) prices were 1.9% higher than in the preceding three months (March-May 2018)

Russell Galley, Managing Director, Halifax, said:

“House prices picked up in August, with the annual rate of growth rising from 3.3% in July to 3.7%. With the average house price now £229,958 prices in the three months to August were also 1.9% higher than in the previous quarter.

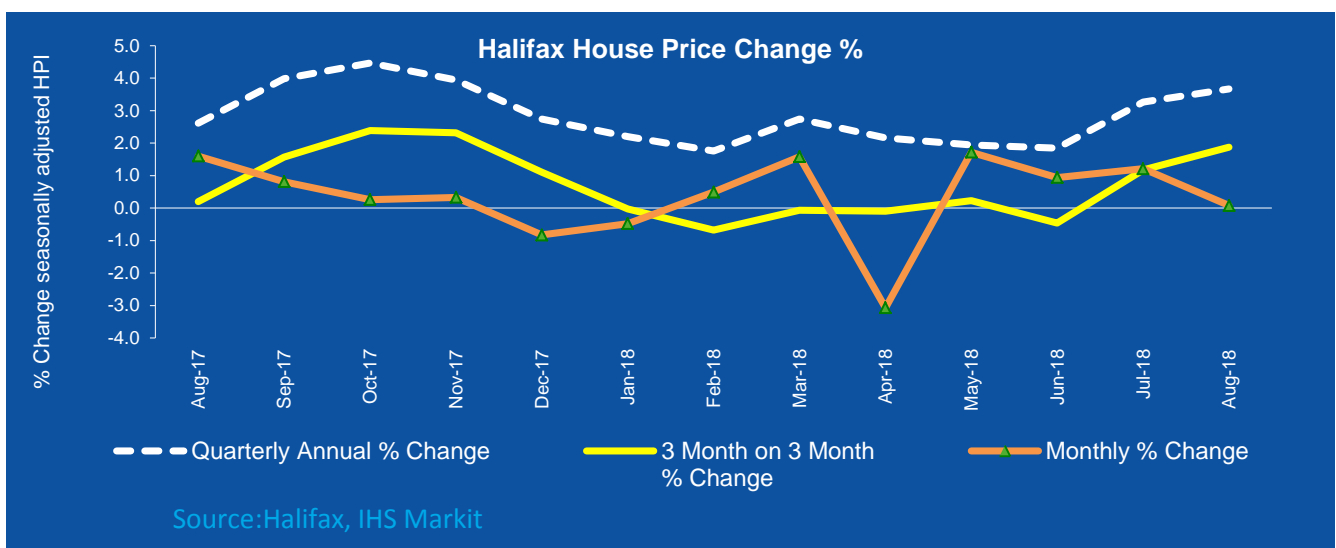
“While the pace of employment growth has recently slowed, a low unemployment rate and a gradual pickup in wage growth are helping to support household finances. This has been accompanied by interest rates still remaining at a historically low rate and a stable, yet constrained, supply of new homes onto the market further supporting house prices.

KEY FACTS

HOUSING ACTIVITY

- Mortgage approvals remain steady. Bank of England industry-wide figures show that the number of mortgages approved to finance house purchases – a leading indicator of completed house sales – fell by 0.9% between June and July to 64,768. This is almost exactly at the monthly average for the previous 12 month period of 64,986. (Source: Bank of England, seasonally-adjusted figures)
- The number of completed UK home sales remains near the monthly average for the past 12 months. On a monthly basis, sales fell by 0.8% between June and July to 99,270. In the three months to July sales increased by 2.1% from the previous three months. The volume of residential transactions has been broadly flat over the past year and is likely to remain so in the coming months. (Source: HMRC, seasonally-adjusted figures)
- The housing market was broadly stable last month with the number of new instructions remaining flat in July with new buyer enquiries also broadly stable. This is a continuation of a trend that we have been seeing for most of this year. (Source: Royal Institution of Chartered Surveyors' (RICS) monthly report)
- The number of first-time buyers increased by around 3% in the first six months of 2018 to 175,500 compared with 171,200 in the same period in 2017, according to research from the Halifax. This is the sixth increase over a comparable period in the last seven years and the third consecutive year that first-time buyer numbers have topped 150,000.
- The number of first-time buyers has more than doubled since dropping to a record low of 72,700 in the first half of 2009, and is now just 8% lower than at the peak of the last boom in 2006 (190,900). The growth in first-time buyers means they have increased as a proportion of all mortgage financed house purchasers from 38% in 2008 to more than half (51%) in 2018. This share has picked up since 2013 when the Help to Buy Scheme was introduced, which has given 128,317 first-time buyers (81% of total purchases under the scheme) a step on to the housing ladder over this period.

<http://static.halifax.co.uk/assets/pdf/media-centre/press-releases/2018-08-11-FTB-stumping-up-209k-on-property-ladder-press-release.pdf?optoutmulti=0:0|c1:1|c3:0|c5:0|c4:0|c2:0&optmessage=1>





UK HOUSE PRICES

HISTORICAL DATA

All Houses, All Buyers (Seasonally Adjusted)

| Period | ¹ Index 1983=100 | ² Standardised Average Price £ | Monthly Change % | Quarterly Change %* | Annual Change %** |
|----------|--------------------------------|---|------------------------|---------------------------|-------------------------|
| Aug 2017 | 724.5 | 223,853 | 1.6 | 0.2 | 2.6 |
| Sep | 728.4 | 225,070 | 0.5 | 1.6 | 4.0 |
| Oct | 730.4 | 225,664 | 0.3 | 2.4 | 4.5 |
| Nov | 732.8 | 226,408 | 0.3 | 2.3 | 3.9 |
| Dec | 726.7 | 224,540 | -0.8 | 1.1 | 2.7 |
| Jan 2018 | 723.2 | 223,462 | -0.5 | 0.0 | 2.2 |
| Feb | 726.8 | 224,564 | 0.5 | -0.7 | 1.8 |
| Mar | 738.3 | 228,102 | 1.6 | -0.1 | 2.7 |
| Apr | 715.6 | 221,108 | -3.1 | -0.1 | 2.2 |
| May | 727.9 | 224,909 | 1.7 | 0.2 | 1.9 |
| Jun | 734.8 | 227,027 | 0.9 | -0.5 | 1.8 |
| Jul | 743.7 | 229,776 | 1.2 | 1.2 | 3.3 |
| Aug | 744.3 | 229,958 | 0.1 | 1.9 | 3.7 |

EDITORS' NOTES

* House price data on a quarterly basis provides the clearest indication of overall market trends, smoothing out the monthly volatility caused by the reduced number of monthly transactions used to calculate all house price indices.

** The annual change numbers are the quarterly non- seasonally adjusted year-on-year figures. These figures provide a better picture of underlying trends compared to a monthly year-on-year number as they smooth out any short-term fluctuations.

1. INDEX

The standardised index is seasonally adjusted using the U.S. Bureau of the Census X-11 moving-average method based on a rolling 84-month series. Each month, the seasonally adjusted figure for the same month a year ago and last month's figure are subject to revision.

2. STANDARDISED AVERAGE PRICE

The standardised average price is calculated using the HPI's mix adjusted methodology.

FOR FURTHER INFORMATION PLEASE CONTACT:

Email: housingeconomics@lloydsbanking.com

For historical data or for technical queries contact economics@markit.com

PRESS OFFICE CONTACTS:

Halifax press team:

Caroline Cody: 07775 644 312 / caroline.cody@lloydsbanking.com

ABOUT THE HALIFAX HOUSE PRICE INDEX

The Halifax House Price Index is the UK's longest running monthly house price series with data covering the whole country going back to January 1983. From this data, a "standardised" house price is calculated and property price movements on a like-for-like basis (including seasonal adjustments) are analysed over time. The annual change is calculated as an average for the latest three months compared with the same period a year earlier. These figures provide a better picture of the underlying trend compared to a monthly year-on-year number as they smooth out any short-term fluctuations.

For more information on our housing market research, visit <http://www.halifax.co.uk/house-price-index>

ABOUT IHS MARKIT (www.ihsmarket.com)

IHS Markit (Nasdaq: INFO) is a world leader in critical information, analytics and solutions for the major industries and markets that drive economies worldwide. The company delivers next-generation information, analytics and solutions to customers in business, finance and government, improving their operational efficiency and providing deep insights that lead to well-informed, confident decisions. IHS Markit has more than 50,000 business and government customers, including 80 percent of the Fortune Global 500 and the world's leading financial institutions.

IHS Markit is a registered trademark of IHS Markit Ltd. and/or its affiliates. All other company and product names may be trademarks of their respective owners © 2018 IHS Markit Ltd. All rights reserved.

The intellectual property rights to the Halifax House Price Index (the "Index") provided herein is owned by IHS Markit. The use of the Halifax name and logo on the Index by IHS Markit is under licence from Lloyds Banking Group and its affiliates. IHS Markit and the IHS Markit logo are registered trade marks of IHS Markit Ltd.

Any unauthorised use, including but not limited to copying, distributing, transmitting or otherwise of any data appearing is not permitted without IHS Markit's prior consent. IHS Markit shall not have any liability, duty or obligation for or relating to the content or information ("data") contained herein, any errors, inaccuracies, omissions or delays in the data, or for any actions taken in reliance thereon. In no event shall IHS Markit be liable for any special, incidental, or consequential damages, arising out of the use of the data. For the avoidance of doubt, the Index and the data cannot be used as a "benchmark" under the Principles for Financial Benchmarks published by the International Organization Of Securities Commissions in July, 2013 or the European Union Regulation for Financial Benchmarks any other similar or comparable framework, principles, guidelines, rules, regulations or laws governing the administration of, submission of data to or the management of benchmarks and indices, including for the purposes of measuring the performance of a financial instrument or determining the interest payable, or other sums due under financial contracts or financial instruments or determining their value or the price at which they be bought, sold, traded or redeemed. A licence from IHS Markit is required for benchmark and all other uses of the Halifax House Price Index.